

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6379 / August 18, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21567

In the Matter of

CARLA LEA CHASTAIN

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Carla Lea Chastain (“Chastain” or “the Respondent”).

II.

In anticipation of the institution of these proceedings, the Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or in which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these proceedings, which are admitted, and the findings contained in Section III, paragraphs 2-4 below, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Since June of 2005, Chastain was the principal of Chastain Financial, LLC through which she conducted investment advisory and insurance business. Chastain, 56, is a resident of Rogers, Arkansas.

2. On May 25, 2005, Chastain agreed to a consent order issued by the State of Arkansas Securities Department revoking her registration as an investment adviser representative, and suspending her registration as an agent of a broker-dealer for 180 days based on suitability and churning violations. *In the Matter of Tommy Lee Ruff, Carla Lea Chastain, First Financial Advisors, Inc. and First Financial Brokerage Services, Inc.* (Ark. Sec. Dept. Order No. S-03-039-05-CO01) ("2005 Order"). Because Chastain failed to comply with the 2005 Order's conditions of reinstatement, her registration as an agent of a broker-dealer has remained suspended.

3. On December 13, 2016, Chastain agreed to a consent order issued by the State of Arkansas Securities Department, *In the Matter of Chastain Financial, LLC and Carla L. Chastain*, (Ark. Sec. Dept. Order No. S-16-0018-16-OR02) ("2016 Order"). The 2016 Order found that Chastain committed securities fraud in violation of Arkansas law, including Ark. Code Ann. § 23-42-307(a)(3) and Ark. Code Ann. § 23-42-507(2), state antifraud statutes, in connection with the offer of investment adviser services by making false and misleading statements of a material fact by holding herself out as an investment adviser representative when her registration had been revoked and stating she had earned an "IRA Distribution Specialist" designation when she never obtained such a designation.

4. On January 24, 2022, Chastain agreed to a consent order issued by the State of Arkansas Securities Department *In the Matter of Chastain Financial, LLC and Carla Chastain* (Ark. Sec. Dept. Order No. S-18-0051-22-OR11 ("2022 Order"). The 2022 Order found that Chastain transacted an investment advisory business without being registered in violation of Arkansas law and Ark. Code Ann. § 23-42-307(a) by omitting to inform potential clients that she was only licensed to offer and sell insurance products and misleading clients and potential clients that she was authorized to provide investment advice for compensation as a registered investment adviser representative.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent be, and hereby is barred from association with any investment adviser, broker, dealer,

municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary